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Ernest B. Kelly, III, President

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

May 2, 2001

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: CC Docket No. 96-98 (UNE Remand Proceeding)

Dear Mr. Chairman:

On April 4, 2001, the Association of Communications Enterprises (ASCENT) submitted a letter to you advocating that the 3-line restriction on unbundled local switching (ULS) in the 50 largest metropolitan service areas be raised to the DS-1 level. In addition to ASCENT, 35 individual companies were listed on the letter indicating their support for lifting the 3-line threshold.

Since the original letter was sent, 22 additional companies have asked to be identified as proponents. On their behalf, and to reemphasize the broad support among competitive carriers for making ULS more widely available, I am resubmitting the April 4 letter together with the full list of supporting companies. I trust you will consider the views of these firms, which have invested heavily to bring consumer choice to the communications marketplace, during the Commission's review of the ULS issue.

Sincerely,

No. of Copies rec'd 0+2
List A B C D E

cc: Commissioner Furchtgott-Roth
Commissioner Ness
Commissioner Tristani

Magalie Roman Salas, Secretary
Dorothy Attwood
Rebecca Beynon
Michelle Carey
Kyle Dixon
Jordan Goldstein
Anna Gomez
Jonathan Reel
Deana Shetler



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April 4, 2001

The Honorable Michael K. Powell
Chairman
Federal Communications Commission
445 12th Street S.W.
Washington, DC 20554

RE: CC Docket No. 96-98 (UNE Remand Proceeding)

Dear Mr. Chairman:

The Association of Communications Enterprises (ASCENT) and the following communications companies strongly urge the Commission to lift the restriction on unbundled local switching (ULS) in Zone 1 of the top 50 MSAs from the current three-line threshold to a full DS-1 level. The DS-1 threshold would be consistent with the requirements of the 1996 Telecommunications Act and clearly would promote local phone competition in major markets.

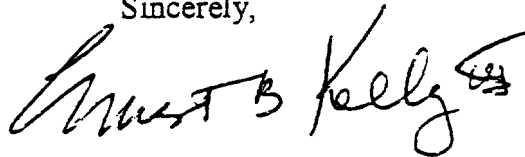
We believe the DS-1 threshold would permit competitive local exchange carriers to economically serve all customers in all markets. Certainly a primary beneficiary of this policy would be thousands of small businesses in the downtown areas of major cities. The three-line threshold means competitive local service providers cannot serve the huge number of small businesses that have at least four analog voice lines but fewer voice lines and data requirements than can be served economically by a DS-1. The result is that many urban small businesses are relegated to a distinct local phone market that is occupied not by hundreds of rival carriers but basically the incumbent LEC.

Raising the threshold to the DS-1 level also would allow new entrants with modest resources to focus their capital expenditures on state of the art operational support systems and on growing their customer base. Furthermore, once critical mass and economies of scale are achieved, these providers likely would opt to deploy facilities that would reduce their dependence on the incumbent LEC network. The important point is that this decision would be made not in the hope of attracting sufficient customers to support facilities already deployed, but to serve existing customers more efficiently. This would be a far more prudent business strategy than the "build it and they will come" approach that was so popular during the recent – and now bygone – era of capital abundance.

In the past, the FCC has wisely endorsed the view that both facilities-based and non-facilities based carriers play important roles in creating and sustaining competitive markets. In 1984, for example, when there were essentially three facilities-based long distance carriers and AT&T enjoyed a 90% market share, consumers had few choices in terms of price and service offerings. By 1999, however, the Commission's pro-competitive policies with respect to interconnection and resale rights had helped dozens of facilities-based and literally hundreds of non-facilities based long distance carriers gain 25% control of the market. Consumers, in turn, had a host of choices with regard to price and service innovations.

The Commission would be equally successful pursuing policies which promote market entry by all manner of local service providers, not just those which intend at the outset to deploy their own switching facilities. Owning a local switch is not a prerequisite for successfully competing in the telecommunications market, nor is it mandated by the 1996 Act. We urge the Commission to conclude what is so apparent to us -- that lifting the current restriction on ULS, at least to the DS-1 level, is vital to fulfilling the competitive promise of the 1996 Act.

Sincerely,

A handwritten signature in black ink, appearing to read "Ernest B. Kelly". The signature is fluid and cursive, with a small mark at the end that looks like a stylized "E" or a flourish.

cc: Commissioner Furchtgott-Roth
Commissioner Ness
Commissioner Tristani

Magalie Roman Salas, Secretary
Dorothy Attwood
Rebecca Beynon
Michelle Carey
Kyle Dixon
Jordan Goldstein
Anna Gomez
Jonathan Reel
Deana Shetler

**List of Supporting Companies
(with additions in bold)**

1-800-RECONEX, Inc.
Hubbard, OR

A R C Communications, LTD.
Piscataway, NJ

ACC Business
Piscataway, NJ

Access Integrated Networks, Inc.
Macon, GA

AMI Communications
Geneva, IL

Benchmark Equity Group
Houston, TX

BridgeCom International
Mount Kisco, NY

BullsEye Telecom
Oak Park, MI

Business Telecom, Inc
Raleigh, NC

Capsule Communications, Inc.
Bensalem, PA

Ciera Network Systems, Inc.
Houston, TX

CIMCO Communications
Oakbrook Terrace, IL

CoreComm
Chicago, IL

Cost Management, Inc.
New York, NY

Covista
Little Falls, NJ

Data Net Systems, L.L.C.
Buffalo Grove, IL

DialMex L.L.C.
McAllen, TX

DSCI Corporation
Lexington, MA

Eastern Telephone
Boston, MA

Easton Telecom Services Inc.
Richfield, OH

eLEC Communications Corp.
New Rochelle, NY

Ernest Group
Norcross, GA

G. Marshall Communications
Jericho, NJ

General Energy Services, Inc. (GENERGY)
New York, NY

Homisco
Melrose, MA

IDS Telcom, LLC
Miami, FL

InfoHighway Communications Corp.
New York, NY

Intelecom Solutions Inc.
Plainview, NY

InternetConnect
Torrance, CA

ISN Communications
Miami, FL

ITC^DeltaCom, Inc.
West Point, GA

LDMI Telecommunications
Hamtramack, MI

Lightyear Communications, Inc.
Louisville, KY

Line Systems, Inc.
Broomall, PA

Local Gateway Exchange, Inc
Dallas, TX

Midwest Telecom of America
Merrillville, IN

Network Plus
Quincy, MA

North American Communications Control, Inc,
Huntington, NY

NorthStar Communications, Inc.
Las Vegas, NV

NUI Telecom
Morristown, NJ

Plexnet Communications Services, Inc.
Odessa, TX

PointOne Communications
Austin, TX

Pound Capital Corporation
New York , NY

RateXchange
San Francisco, CA

RSL COM U.S.A. Inc.,
New York, NY

TCAST Communications, Inc.
Valencia, CA

TCO Network
Elm Grove, WI

Telecare, Inc.
Noblesville, IN

Telecarrier Services Inc.
Edison, NJ

Telemetrics Communications
Buffalo Grove, IL

Telicor
Seattle, WA

TRI-M Communications, Inc.
dba TMC Communications
Santa Barbara, CA

TruComm Corporation
Buffalo Grove, IL

VarTec Telecom
Dallas, TX

Vertex Broadband Corp.
Rolling Meadows, IL

Working Assets Funding Service
San Francisco, CA

XTEL
Marlton, NJ